PART F—PERSONNEL AND COMPENSATION TECHNICAL AMENDMENTS

SEC. 651. TECHNICAL AMENDMENTS TO MILITARY RETIREMENT LAWS

(a) CLARIFICATION OP COMPUTATION OF RETIRED PAY UNDER HIGH-THREE SYSTEM.—Section 1407 of title 10. United States Code. is amended—

(1) in subsection (b), by inserting "or (d)" after "subsection (0";

(2) by striking out subsections (c), (e), (f) and (g);

(3) by redesignating subsection (d) as subsection (e); and

(4) by inserting after subsection (b) the following new subsections (c) and (d):

"(c) COMPUTATION OF HIGH-THREE AVERAGE FOR MEMBERS ENTITLED TO RETIRED OR RETAINER PAY FOR REGULAR SERVICE.—

"(1) GENERAL RULE.—The high-three average of a member entitled to retired or retainer pay under any provision of law other than section 1204 or 1205 or section 1331 of this title is the amount equal to—

"(A) the total amount of monthly basic pay to which the member was entitled for the 36 months (whether or not consecutive) out of all the months of active service of the member for which the monthly basic pay to which the member was entitled was the highest, divided by

"(B) 36.

"(2) SPECIAL RULE FOR SHORT-TERM DISABILITY RETIREES.—In the case of a member who is entitled to retired pay under section 1201 or 1202 of this title and who has completed less than 36 months of active service, the member's high-three average (notwithstanding paragraph (1)) is the amount equal to—

"(A) the total amount of basic pay to which the member was entitled during the period of the member's active service, divided by

"(B) the number of months (including any fraction thereof) of the member's active service.

"(d) COMPUTATION OF HIGH-THREE AVERAGE FOR MEMBERS AND FORMER MEMBERS ENTITLED TO RETIRED PAY FOR NONREGULAR SERVICE.—

"(1) RETIRED PAY UNDER CHAPTER 67.—The high-three average of a member or former member entitled to retired pay under section 1331 of this title is the amount equal to—

"(A) the total amount of monthly basic pay to which the member or former member was entitled during the member

or former member's high-36 months (or to which the member or former member would have been entitled if the member or former member had served on active duty during the entire period of the member or former member's high-36 months), divided by

"(B) 36.

"(2) NONREGULAR SERVICE DISABILITY RETIRED PAY.—The high-three average of a member entitled to retired pay under section 1204 or 1205 of this title is the amount equal to—

"(A) the total amount of monthly basic pay to which the member was entitled during the member's high-36 months (or to which the member would have been entitled if the